UNITED
NATIONS

E

Economic and Social Council

Distr.
LIMITED

E/ICEF/1994/AB/L.11
6 September 1994

ORIGINAL: ENGLISH

UNITED NATIONS CHILDREN'S FUND
Executive Board
Third regular session 1994
3-5 October 1994

FOR INFORMATION

PROJECTIONS OF FUTURE LEVELS OF UNICEF HEADQUARTERS STAFF

SUMMARY

The Executive Board, at its special session held on 6 and 7 October 1993 to consider the Executive Director's proposals on headquarters office accommodation, decided to review by 15 October 1994 the projections for the future levels of UNICEF headquarters staff, based, inter alia, on a report on this issue and on an interim assessment of the management review of UNICEF (E/ICEF/1993/17, decision 1993/26). The present report provides information on the projections of future levels of UNICEF headquarters staff. The interim assessment of the management review of UNICEF may be found in document E/ICEF/1994/AB/L.12.

Having reviewed various models and percentage rates that might be used for long-term staffing projections, the secretariat believes that staff growth at New York headquarters should be projected at positive growth rates for the purpose of long-term planning of headquarters office space requirements. However, the growth rates, based on the Executive Director's view of the future of UNICEF, should be significantly lower than the rates of staff growth during the past. Towards that end, therefore, staffing projections have been made at annual rates of 1.5 and 2 per cent, with an indication of the corresponding office space requirements. Actual short- and medium-term staffing needs will continue to be determined by the Executive Board as an integral part of the regular biennial budget and medium-term planning processes.

Implementation of Executive Board decision 1993/26 on New York headquarters office accommodation provides, in a cost-effective manner, sufficient flexibility to adapt future office space requirements to changing staffing needs during the next few decades, even if they evolve at higher or lower rates than the 1.5 or 2 per cent rates that could be used for long-term office planning purposes.

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I. INTRODUCTION

1. The present report has been prepared in response to Executive Board decision 1993/26 (E/ICEF/1993/17), in which the Executive Board decided to review by 15 October 1994 the projections for the future levels of UNICEF headquarters staff, based, inter alia, on a report on this issue and on an interim assessment of the management review of UNICEF. The present document provides information on the projections of future levels of UNICEF headquarters staff. The interim assessment of the management review of UNICEF may be found in document E/ICEF/1994/AB/L.12.

II. PROJECTIONS OF NEW YORK HEADQUARTERS STAFFING AND OFFICE SPACE REQUIREMENTS UNTIL THE YEAR 2026

2. The staffing projections for New York headquarters take into account the comments made in this regard at the special session of the Executive Board held on 6 and 7 October 1993 and the assumption that growth at headquarters should be less than in field offices and that the growth rate proposed should be less than 3 per cent per year.

3. The Executive Director is well aware of the reservations of projecting staffing requirements for such a long period of time, including their limited accuracy for the short and medium term. Any model or percentage rate that may be used for a 30-year period has, to a large degree, to be arbitrary because of the potential impact of several factors on the number of future staff and the skills required. Such factors include, but are not limited to, changes in the volume and type of UNICEF assistance; the unpredictability of future income levels, particularly because UNICEF depends on voluntary contributions; and reforms of the United Nations system during the next 30 years or changes in the mandate or organizational structure of UNICEF. In the light of those and other factors, future staffing levels may vary substantially from those being suggested for long-term planning of office space.

4. In view of those considerations, the secretariat has not attempted to prepare a variety of possible models with different assumptions or various positive, zero or negative growth rates. The secretariat also refrained from speculating at what point in time an optimum size of UNICEF might be reached or when a downsizing might occur during the next 30 years.

5. Keeping in mind that past rates of growth of UNICEF, its income and staff have been substantial, negative and zero growth rates have not been considered likely for long periods of time during the next 30 years. Instead, moderate growth rates of 1.5 or 2 per cent were believed to be more realistic. The table below shows the proposed growth rates of New York headquarters staff and corresponding office space requirements.

Table. Projected growth of New York headquarters staff and corresponding office space requirements

Year	Projected growth of staff at New York headquarters		Additional space requirements in gross square feet a/	
	At 1.5%	At 2%	At 1.5%	At 2%
1997	1 013	1 013	-	-
1998	1 028	1 033	-	-
1999	1 044	1 054	-	-
2000	1 059	1 075	-	-
2005	1 141	1 187	12 000	27 000
2010	1 229	1 310	40 000	66 000
2015	1 324	1 447	70 000	110 000
2020	1 427	1 597	104 000	158 000
2026	1 560	1 799	146 000	222 000

a/ Estimated office space requirements in addition to UNICEF House (180,491 square feet) and initial space leased at 633 Third Avenue (109,590) and excluding space currently leased at 1 Dag Hammarskjöld Plaza (38,723 square feet) and the Greeting Card and related Operations premises at 333 East 38th Street (40,000 square feet).

6. As may be seen from chapter IV below, UNICEF will have a high degree of flexibility to adapt office space requirements to changing staff needs during the next few decades, whether they evolve at higher or lower rates than those proposed in the present report. As indicated by the table above, the need for additional space would not differ significantly during the next 10 years if either of the two assumed rates is used.

III. COMMENTS ON PROJECTIONS OF NEW YORK HEADQUARTERS STAFFING

7. Office space requirements are determined by the number of "occupants", a term which is broader than the number of regular staff. Therefore, the term "staffing" as used in connection with the projections includes regular staff members, short-term personnel, individual and corporate consultants and others.

8. In the table above, the base number of 1,013 in 1997 follows zero growth of posts from 1994 to 1997. The number also includes the staffing levels of the Greeting Card and related Operations at New York headquarters (see E/ICEF/1994/AB/L.10).

9. As indicated in paragraph 3 above, the Executive Director is aware of the many difficulties and uncertainties inherent in projecting staffing requirements so far into the future and that the accuracy of the forecast declines as the time-frame increases. In this connection, it may be recalled that at the time of planning the space requirements of UNICEF House, the then available excess space was considered to be adequate to accommodate future staffing needs, but those estimates, in hindsight, turned out to be both unrealistic and costly.

10. To the extent that history can be a guide for the future, UNICEF has experienced over time a very positive overall expansion of its operations, as illustrated, for example, by the long-term trend of increased overall income, with occasional short-term slow-downs or decreases in income. During the 13-year period from 1980 to 1993, income increased from $315 million to $866 million. This overall growth was accompanied by a significant staff increase, but one which occurred during a period of continuous decentralization of UNICEF functions to the field, expansion of organizational structures and redeployment of staff from New York to meet ever-changing work requirements and increased further the impact of UNICEF programmes of cooperation.

11. Further, as mentioned in a previous report to the Executive Board on headquarters office accommodation (E/ICEF/1991/AB/L.9), during the 30-year period from 1960 to 1990, the number of posts at headquarters increased by 320 per cent. During the 13-year period from 1980 to 1993, the actual growth rate of headquarters posts averaged 3.8 per cent per year, while during the same period, the growth rate of posts in field offices averaged 8.6 per cent per year.

12. At this point in time, the Executive Director does not expect that in the years to come the growth rates seen in the past for headquarters staff will continue. However, it is expected that the workload of field offices, which in the past 10 years or so has become more labour intensive, will continue to increase. As a result, there will be an incremental effect, although more moderate than in the past, on headquarters functions serving field offices and thus on New York headquarters staffing requirements.

IV. COMMENTS ON NEW YORK HEADQUARTERS OFFICE SPACE REQUIREMENTS

13. Total space available by mid-1995 at the two New York headquarters locations would amount to 290,081 gross square feet, consisting of UNICEF House with 180,491 square feet, and 633 Third Avenue, with 109,590 square feet. This space would be adequate until approximately the year 2000 at the 2 per cent growth rate of staff. Parts of the additional 160,000 square feet of space being acquired would be needed incrementally, as may be seen from the table following paragraph 5 above.

14. Space that UNICEF would not require immediately would be sublet as future staffing needs become more concrete in the medium and short term. Towards this end, UNICEF is in communication with the United Nations and the United Nations Development Programme (UNDP). Under the terms of the proposed lease, UNICEF could also sublet the space to a non-United Nations tenant, as necessary.

15. In order to increase further the flexibility of adapting office space to actual requirements, for example, in the case of a substantial downsizing of headquarters operations, UNICEF will have the option in the year 2005 to sublease up to 160,000 square feet of space to the City of New York, in the event that UNICEF or the United Nations, or any other sublease tenant, does not require the space at that time (decision 1993/26, para. 2 (b)).

16. Additionally, if in the future, UNICEF and other United Nations agencies were to consolidate in a newly expanded United Nations district in the City of New York, UNICEF would be relieved of its obligations with regard to both UNICEF House and 633 Third Avenue (E/ICEF/1993/AB/L.15, para. 59 (f)).

17. Subparagraphs 2 (a) and (b) of Executive Board decision 1993/26 illustrate that the number of staff will have a major impact on decisions to be taken with regard to office space requirements in two critical years, 1999 and 2005. In those paragraphs, the Executive Board authorized the Executive Director to continue to negotiate with the City of New York on the basis of their offer referred to in paragraph 1 of that decision, concerning the expansion space required by UNICEF for the total of 262,351 square feet at 633 Third Avenue, and to proceed with the lease/purchase agreement on the condition that the City of New York undertake to sublease, on a permanent basis, at the discretion of UNICEF:

(a) As of the year 1999, or earlier at the City's option, up to 160,000 square feet of that space, which UNICEF does not expect to require, on the condition that UNICEF notify the City by 1 November 1994;

(b) As of the year 2005, additional space up to a maximum of 160,000 square feet of that space referred to above, which UNICEF will not require at that time.

18. Additional space would be needed to accommodate conference room facilities for Executive Board meetings, if it is decided that 633 Third Avenue would be the most suitable option for such a facility. Document E/ICEF/1994/AB/L.15 provides information on conference room facilities at the premises of UNICEF headquarters.

19. As can be seen from the above, implementation of Executive Board decision 1993/26 on New York headquarters office accommodation will provide sufficient flexibility to adapt office requirements to changing staffing needs during the next few decades, even if staff growth evolves at a rate higher or lower than the 1.5 or 2 per cent growth rates suggested for the purpose of planning long-term office space requirements for the next 30 years.

V. CONCLUSIONS

20. In the light of the above-mentioned considerations, the secretariat believes that a 1.5 or 2 per cent rate of staff growth could be used for the long-term planning of New York headquarters staff requirements. Executive Board decision 1993/26 provides, in a cost-effective manner, sufficient flexibility to adapt office space requirements to changing staffing needs during the next few decades, even if they evolve at rates higher or lower than those mentioned above.

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UNITED
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E/ICEF/1994/AB/L.12
5 August 1994

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UNITED NATIONS CHILDREN'S FUND
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FOR INFORMATION

INTERIM ASSESSMENT OF THE MANAGEMENT REVIEW OF UNICEF

1. Having determined that an independent administrative and management review of UNICEF should be carried out by external consultants by the end of 1994 (E/ICEF/1993/14, decision 1993/23), the Executive Board, at its special session held on 6 and 7 October 1993 to consider the Executive Director's proposals on headquarters office accommodation, decided to review by 15 October 1994 the projections for the future levels of UNICEF headquarters staff, based, inter alia, on a report on this issue and on an interim assessment of the management review of UNICEF (E/ICEF/1993/17, decision 1993/26). The report on the projections for future levels of UNICEF headquarters staff may be found in document E/ICEF/1994/AB/L.11. The present report provides an interim assessment of the management review of UNICEF.

2. Work on the management review began after the Executive Board approved the revised proposal and terms of reference (E/ICEF/1994/AB/L.1/Rev.1) submitted by the Executive Director to the Executive Board at its first regular session in 1994 (E/ICEF/1994/13 (Part I), decision 1994/R.1/6), held from 23 to 25 February 1994. The annex to the present document contains an interim progress review prepared by the external consultants carrying out the study, Booz-Allen and Hamilton Inc., on their work to date. The consultants will be available at the present session of the Executive Board to provide clarifications and an update, as necessary.

Annex

BOOZ·ALLEN & HAMILTON INC.

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2 August, 1994

MEMORANDUM to Mr. James P. Grant

FROM Booz·Allen Consultant Team

SUBJECT: Management Study Progress Review

Introduction

The purpose of this memorandum is to provide a concise overview of the progress of the management study as of this date. At the end of July we completed the first phase of our work, aimed at gaining an understanding of the goals, mission, programs and operations of UNICEF, as well as identifying the major issues on which we would focus our analytical work during the rest of the study. This material was reviewed and agreed with the team leaders, Messrs. Strong and Rada. Then it was reviewed in Bangkok with you, Mr. Grant, and we were asked to proceed.

During the first months of the study, consultants worked at New York Headquarters and visited Abidjan, Bangkok, Copenhagen, Florence, Geneva, Hanoi, Mexico City and La Paz, and in the process interviewed approximately 200 persons, including UNICEF staff members, Executive Board members, National Committee members, NGO personnel, government officials and others. The interview program will continue through to the end of the study, shifting from "general fact-finding" to targeted issue-probing.

Included in this memorandum is a calendar showing progress against the work calendar, and a summary of the persons interviewed so far. (A detailed listing is also available.)

Findings as of 2 August

(1) The evidence demonstrated that UNICEF has reached new heights in esteem and public regard in the last few years.

(2) The consultants explored the evidence to define the capabilities that explain how UNICEF has been able to achieve such notable results. Several basic skills were identified, such as (a) Intelligent, dedicated, professionally qualified staff; (b) Front line empowerment of country representatives; (c) Unique fund-raising effectiveness; and several others.

(3) Despite imposing credentials, UNICEF cannot rest on its laurels. There are some disturbing forces in the environment:

Report on Management Study - Page Two

(a) Some major donor nations are reducing contributions substantially
(b) Overall growth in government donations is slowing down
(c) Governments are asking UN agencies tough questions about the productivity of humanitarian investments - including UNICEF.

"Since 1960, about $1.4 trillion (in 1988 dollars) has been transferred in aid from rich countries to poor ones. Yet relatively little is known about what that process has achieved. Has it relieved poverty? Has it stimulated growth in the recipient countries? Has it helped the countries which give it? Such questions become more pressing as donor governments try harder to curb public spending".

(The Economist)

(d) NGO's are becoming aggressive in competing for private sector funds.
(e) UNICEF's priority shift from supply to advocacy requires new skills.
(f) Changes in the UN system are expected to affect UNICEF's operating environment and processes, perhaps even structure.

(4) Those challenges help explain why Booz•Allen was asked to do the new management study.

(5) Out of our research during the first phase, seven basic issues emerged:

(a) A peculiar level of controversy and tension, starting at the top in terms of the relationship between the Board and the Secretariat, but penetrating downward in the organization.

(b) Evidence that a common view of UNICEF's mission is not universally understood and shared throughout the organization

- This has a bearing on UNICEF's positioning in the light of UN reform.

(c) Global Goals and National Action Plans appear inadequately harmonized

(d) A number of operational improvements appear possible in specific functions and processes

(1) Fund raising
(2) National Committees and GCO
(3) Budgeting, financial control, transparency
(4) Accountability for mission accomplishment
(5) Program process
(6) Human Resources policy and procedure
(7) Supply function
(8) MIS
(9) Information and external relations

/...

Report on Management Study - Page Three

(e) The organization structure requires modifications

(f) Cost effectiveness can be upgraded

(g) Issues of style and "pace" should be addressed

We proposed to examine those issues in depth during the coming weeks.

Our work is proceeding on schedule and we are getting good support from UNICEF staff.

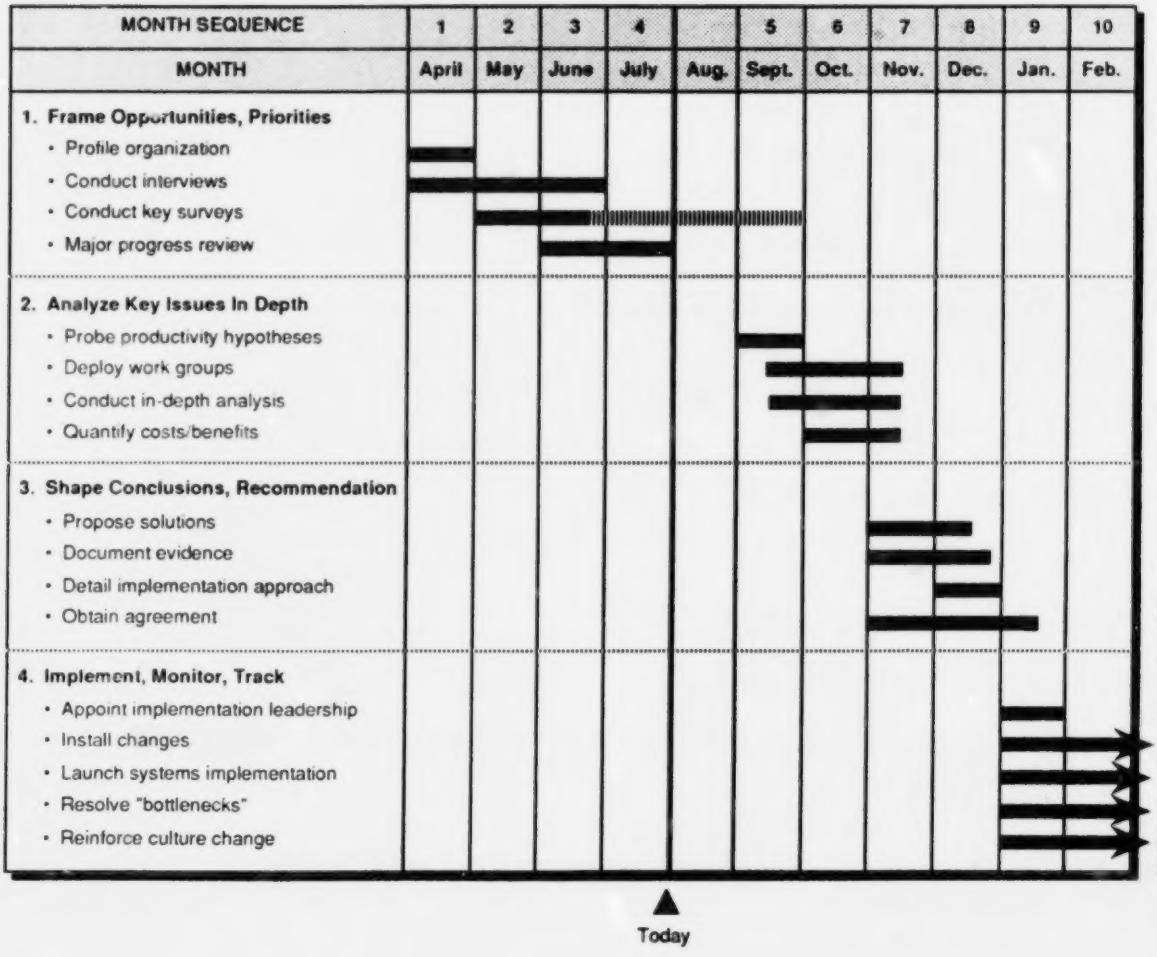
Sincerely,

Jay Berry
Vice President

BOOZ•ALLEN & HAMILTON

Attachment 1

UNICEF MANAGEMENT STUDY CALENDAR



Attachment 2

MANAGEMENT STUDY INTERVIEWS: APRIL THROUGH JULY

Senior Management: 7

NY Headquarters: 66
- External Relations: 9
  - Programme Funding: 4
  - Public Affairs: 4
  - Information: 1
- Operations: 16
  - Finance:6
  - IRM: 6
  - Personnel: 2
  - OAM: 2
- Programme: 36
  - Technical Sectors: 15
  - Geographic Sections: 8
  - Emergency: 2
  - Evaluation and Research: 3
  - Other: 8
- Other NY Headquarters Interviews: 5

Geneva: 9

GCO NY and Geneva: 7

Supply Division, Copenhagen: 9

Florence ICDC: 7

Regional Directors and Officers: 18

Country Representatives: 31

Staff Association Representatives/General Staff (headquarters locations): 26
- New York: 17
- Geneva: 9

Country Office Staff (including both professional and general staff): 32
- Cote d'Ivoire: 7
- Mexico City: 10
- Hanoi and Ho Chi Minh City: 10
- Other Field Offices: 5

National Committees: 6

Executive Board Members/Delegations: 7

NGOs, Governments, Other External Organizations: 25

Note: Figures reflect the number of individuals interviewed, not the number of interviews. Some individuals have been interviewed more than once.